

**Achievement of Market Friendly Initiatives and Results  
(AMIR 2.0 Program)**

**Funded By U.S. Agency for International Development**

**Select Jordanian Partner**  
Develop Request for Application in Jordan

Final Report

Deliverable for Business Management Initiative (BMI) Component, Task # 221.3  
Contract No. 278-C-00-02-00201-00

May 2002

*This report was prepared by Dr. Kenneth L. Hoadley, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

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## JORDAN BUSINESS SCHOOL INFORMATION PACKET

**May, 2002**

This Information Packet includes the following sections:

### Section I: The Jordan Graduate Business School

1. Background and Introduction
2. General Overview of the Graduate Business School
3. Preliminary model for graduate business school

### Section II: Request for Application Packet

4. Introduction
5. Terms & Conditions
6. AMIR Assistance Package
7. Submission of Proposals
8. Evaluation of Proposals Submitted
9. Negotiations
10. The Proposal Format Required

All correspondence and/or inquiries regarding this Information Packet must reference “Jordan Graduate Business School Proposal.” Any technical clarifications or questions should faxed to Ibrahim K. Osta, fax (962 6) 560- 3599 or emailed at iosta@amir-jordan.org.

Thank you for your cooperation.

For Chemonics International: \_\_\_\_\_  
Stephen P. Wade, AMIR 2 Program Director

## Section I: The Jordan Graduate Business School

### 1. Background and Introduction

Jordan is engaged in an exciting, comprehensive economic transformation, driven initially by the vision of His Majesty, King Abdullah II, but more recently accelerated by a number of like-minded, change oriented ministers in the cabinet. Jordan has signaled its willingness to proactively forge a successful economic future for itself and the donor community, lead by USAID, has responded with support. AMIR 2.0 responds to the specific needs evident in the private sector and in government. It contributes to supporting momentum generated by the political leadership be maintained and accelerated on a bedrock of success.

Spurring private sector-led economic growth remains the central economic challenge facing Jordan. The dilemma facing policy-makers is how to ensure a more positive private sector response to an improving economic and business enabling environment. Key issues here include increasing the competitiveness of Jordan's private sector firms, raising the level and productivity of private investment, and further diversification of export products and markets.

Improved business management skills are a key strategy for increasing private sector investment, efficiency, productivity and growth. Jordan's private sector remains dominated by traditional management systems and approaches. Many firms lack the management capacity to compete effectively in more open markets. Strategic business planning, financial analysis and management, human resource management, marketing, and use of information technology are all areas that require substantial strengthening, if Jordan's firms are to take full advantage of new business opportunities. Those firms that are most likely to succeed in the future are ones whose management understands the impact of globalization and the importance of quality assurance, innovation, technology and strategic vision.

The private sector has been vocal in its criticism of the quality of business education in Jordan. The quality of business education in Jordan is impacted by a variety of factors including quality and relevance of curriculum, limited practical experience of recruits and graduates, negligible work experience by educational faculty, lack of business-education partnership, as well as regulatory obstacles. Most business education programs offered in Jordan are offered at the undergraduate level, with little attention to post-graduate or executive education. Outside observers, including representatives of Jordan's private sector, have expressed doubts concerning the capability of Jordan's public universities to successfully introduce or improve their graduate and executive programs in business administration without significant outside assistance as well as major changes in their organization and operating policies. Some have suggested as an alternative, the establishment of a new, independent graduate business school with the sponsorship of the business sector.

During the next 3-4 years, the USAID-funded AMIR Program plans to provide technical and limited financial assistance to one yet-to-be-selected Jordanian institution to develop a graduate business school, in collaboration with an American university, to provide

quality business education for graduate students and practicing managers from Jordan and other Middle Eastern countries.

## **2. General Overview of the Graduate Business School**

### ***1. Summary of demand for graduate and executive business education***

Based on both interviews undertaken with numerous representatives of Jordan's business sector, and a demand study carried out in 2000<sup>1</sup>, it is reasonable to conclude that there exists both the need and sufficient demand in Jordan, complimented by a supporting demand from other countries in the region, for a graduate business school offering a mix of full-time and executive MBA programs, and shorter non-degree management development programs. It is reasonable to expect that the nature of this need and demand will be sufficient to sustain a graduate business school with its own full-time faculty over the long term provided that:

- The school is established in partnership with leaders of Jordan's business community who pledge their support not only to establish the school, but also to send their employees;
- The quality of the programs offered is (and is perceived to be) of the highest international standards, supported through a partnership or strong affiliation with a leading business school in the United States;
- The teaching staff is drawn from a combination of visiting faculty from the US business school partner or affiliate, part-time local faculty with significant business experience, and full-time Jordanian faculty who have received their doctorates from leading US or European business schools and who also have had some business experience or significant contact;
- The school is dimensioned and staffed at the minimum size necessary in order to permit and insure sustainability; and
- The mix of programs offered is selected in close consultation and partnership with representatives of the business community.

### ***2. Summary of current availability of graduate and executive business education***

No business school operating in Jordan is currently offering the range and quality of management education programs needed by the country's business sector. Those few MBA programs which do exist are perceived as being too theoretical to meet the needs of the business sector, and are unavailable in formats which make them easily accessible to middle managers. With the exception of one-time short management seminars offered on a contract basis by outside organizations, no non-degree programs are available at all inside Jordan to middle and upper level executives.

Given the institutional and professional foundations of several of Jordan's universities, it is possible that one or more of them might develop a capacity to offer a broad range of practical and relevant programs of management education. In order to do so, however, they would have to establish a graduate business school as a largely independent entity, closely

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<sup>1</sup> "Jordan Graduate Business School: A Demand Study" carried out in 2000 under USAID sponsorship.

aligned with the business sector and a US partner business school, and with an internal organization and structure vastly different and independent from the traditional university organization and structure.

Alternatively, a new business school, independent in all respects from any of the existing public (or private) universities, might be established with an institutional design specifically tailored to meet the needs of the business sector.

### **3. Summary of need for graduate business school**

As discussed above, there is a need for MBA, Executive MBA and non-degree executive education programs in Jordan which are sufficiently different from those currently available so as to require a new graduate business school with the institutional flexibility and independence to assemble the necessary curricular, faculty, and financial resources. Such a new graduate business school might take the form of an independent and autonomous division operating with the sponsorship, accreditation and general oversight of an existing public university in Jordan, or of a newly-created independent graduate business school established as a not-for-profit corporation and accredited by Jordan's Council of Higher Education. In either case, a series of conditions regarding the organization and scope of the new school should be met so as to insure the school's ability to fulfill the management education needs of Jordan's business sector.

## **3. Preliminary model for graduate business school**

A preliminary model or design for a graduate business school has been developed to serve as an **indicative guide** for the development of applications for technical and financial assistance from USAID/AMIR. This model is designed so as to meet the minimum conditions necessary to insure the school's ability to fulfill the management education needs of Jordan's business sector on a self-sustaining basis after a start-up period of approximately 3-4 years.

### **1. Organization and structure**

#### **a. Mission and guiding principles**

The graduate school's mission would be expected to focus on the provision of graduate degree and non-degree programs in business management appropriate to the needs of Jordan and the Middle East's business sectors, at a quality level reflecting the leading business schools in the United States and Europe; and on business research undertaken by its faculty in direct support of its teaching mission. It would be expected that the school's guiding principles would include:

- A level of excellence in all its academic activities and the faculty, staff and physical resources required to support them, comparable to those of leading business schools in the United States and Europe;
- Permanent and deep relationships with the private sector in Jordan and other countries in the region in order to insure the continued relevance and applicability of the curriculum as well as to facilitate recruiting and placement of its graduates;
- Permanent relationships with one or more internationally-recognized foreign business schools in order to maintain curriculum quality, secure visiting

professors, establish faculty and student exchange programs, develop future faculty resources and collaborate in research activities;

- Programmatic focus on both graduate degree and non-degree programs so as to serve the needs of existing as well as future managers for Jordan and the Middle East's business sector;
- The use of the English language as the medium of instruction in order to both prepare students to operate in an international context where English is the commonly accepted language of business, and to take advantage of faculty and study materials from the leading business schools in the United States and western Europe;
- Long term financial sustainability to be achieved through the design and implementation of a business plan consistent with the realities of the demand for its services and the school's commitment to maintain its standards at international levels.

#### **b. Organizational structure**

##### **i. Jordanian sponsorship and legal status**

The proposed graduate business school must be established as an autonomous, independently-governed educational institution with its own bylaws and regulations, governance structure and operating policies, and its own independent facilities, faculty and staff, financial structure and patrimony.

- As an autonomous division of an existing university, it would be governed by its own independent Board of Trustees which would be appointed by and report to the President of the University. Its accreditation would derive from the university's institutional accreditation by the Council of Higher Education.
- As an independent and unaffiliated Graduate Business School organized as a not-for-profit organization, it would be governed by a self-perpetuating Board of Trustees initially made up of the school's founding sponsors, and receive its accreditation directly from the Council for Higher Education.

##### **ii. Board of Trustees**

The maximum governance authority of the school, subject to the conditions imposed by the Council of Higher Education, shall be its Board of Trustees. It is expected that the Board of Trustees will:

- Be appointed by either the President of the University of which the school forms a part, or by the founders of the newly-created not-for-profit organization;
- Be composed of a majority of members of the business sector who are not otherwise involved in the work of the school;
- Be governed by its own internal bylaws which will establish the length of terms of service and procedures for appointing new members, as well as the duties, functions and operating procedures for the Board;
- Serve *ad honorum* with no financial interest or expectation of financial or other direct benefit from the school;
- Appoint the Chief Executive Officer of the School, and manage all aspects related with his/her service;



- Provide oversight to the Chief Executive Officer in all matters of long term strategy, as well as annual plans and budgets, as specified in its bylaws;
- Delegate to the Chief Operating Officer full authority to manage, on a day-to-day basis, all operating aspects of the school.

### **iii. Academic Advisory Committee**

An academic advisory committee shall be created to provide oversight for the school's academic activities and insure continuing relations with both the international professional business education community and the business sectors of Jordan and other Middle Eastern countries. Initially, it may be expected that the Academic Advisory Committee would be composed of senior academic officials from the U.S. business school selected to provide technical assistance, and representatives from the Jordanian business sector who may also be members of the Board of Trustees, or may be prominent figures from the business sector in a position to provide insight regarding the focus and quality of the school's activities. It is expected that the Academic Advisory Committee would meet once or twice a year for the purpose of reviewing the school's programmatic activities.

The Academic Advisory Committee's specific functions should include the following:

- Review and advise the school's management regarding the selection and overall design of the school's degree and non-degree program portfolio
- Review and advise the school's management regarding the quality of the school's academic programs and suggest steps to maintain quality standards at international levels consistent with the needs of the Jordanian and Middle Eastern business sector

### **iv. Senior management**

The senior management of the school should initially include at a minimum the following positions, some of which will be assumed by the U.S. business school advisor during part or all of the period of technical assistance.

- **President/Director or Dean:** This individual, appointed by and reporting to the Board of Trustees, is the Chief Executive Officer of the School. Among his/her most important functions are the recruitment, selection and appointment of all other senior officials and, by delegation, all members of the school's faculty and staff. It shall also be the responsibility of the President/Director/Dean to prepare for Board approval all long range and annual plans and budgets; to maintain institutional relations with the Board of Trustees, the Academic Advisory Committee, the Technical Advisor, and other members of the local and international business and academic community; USAID's AMIR program; and to oversee all planning and operating activities undertaken in pursuit of the school's mission. This is a full-time position which may be filled by either the Chief of Party of the Technical Advisor or by a Board-appointed highly qualified individual.
- **Senior Associate Dean for Academic Affairs:** This individual is directly responsible for faculty recruitment, selection, and development; and for overseeing the design and management of all academic programs. This position will be filled by the Technical Advisor during the Technical Assistance period, and will involve a reduced teaching load as well as administrative duties.

- Associate Dean for Masters Programs: This individual is directly responsible for the design and management of the school's degree programs, including program design, staffing, recruitment and admission of students, and program supervision and day-to-day management. This position will be filled by the Technical Advisor during the Technical Assistance period, and will involve a reduced teaching load as well as administrative duties.
- Associate Dean for Executive Education: This individual is directly responsible for the design and management of the school's non-degree programs, including program design, staffing, recruitment and admission of students, and program supervision and day-to-day management. This position will be filled by the Technical Advisor during the Technical Assistance period, and will involve a reduced teaching load as well as administrative duties.
- Associate Dean for Finance and Administration: This officer is responsible for all non-academic aspects of the school's management, including both financial planning and management, and the management of the school's facilities and administrative staff. This position should be filled by a qualified locally-hired individual.
- Director of External Affairs: This position is responsible for the development and maintenance of relations with the Government of Jordan, the Board of Trustees, the Advisory Committee, the business sector, and the general public. Its occupant will oversee and manage both public relations and the legal affairs of the school. This position should be filled by a qualified locally-hired individual.

#### **v. Faculty**

During the Technical Assistance phase of the project, all teaching faculty will be appointed by the Technical Advisor. While initially the majority of the faculty positions will be filled from the ranks of the Technical Advisor's own permanent faculty, some specific needs (e.g., business law) will likely be filled locally. During the Technical Assistance phase of the project, faculty members will be recruited for the school's full-time faculty with the goal of achieving 100% permanent local<sup>2</sup> staffing by the end of the Technical Assistance phase.

Both during and after the end of the Technical Assistance phase, it is expected that the school's faculty will meet the same standards of excellence as leading business schools throughout the world, and be compensated accordingly. Among the professional traits expected of most faculty members are:

- An earned Ph.D. or equivalent degree in management or a closely related field from a university recognized for excellence in business administration;
- Evidence of prior business experience or professional contact with the business sector;
- Experience teaching at the MBA or executive level using modern teaching methodologies;

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<sup>2</sup> Not necessarily. What we are looking for is permanent staff, but not necessarily Jordanian staff. There may well be members of the Technical Advisory staff who elect to stay on (this happened in the case of INCAE), and the new school may well recruit new permanent staff from other Arab countries, or from Arab-Americans in the US who have an interest in moving back to assume new positions at the new school. Our objective would actually be NOT have an all-Jordanian permanent staff, as that would reduce the possibility of creating a global perspective which is so important for the new school.

- Experience with the business sector in Jordan or in similar countries outside of North America and Western Europe;
- Total and exclusive dedication to their positions as members of the faculty at the new graduate business school. (Special circumstances may warrant the employment of a reduced number of adjunct faculty on a part-time basis.)

## **vi. Administrative staff**

In addition to the senior management and faculty positions discussed above, numerous non-teaching staff positions must be filled with locally recruited staff. These positions may include (but not be limited to) the following:

- Director of marketing and admissions
- Program managers for MBA, EMBA and Executive Education
- Head accountant and accounting staff
- Administrative/secretarial support for senior management and faculty
- IT manager and staff
- Cafeteria staff
- Building and facilities maintenance staff
- Drivers and Security personnel

## **c. US Technical Advisor**

The establishment of a strong advisory relationship with a leading U.S. business school will be critical to the success of the proposed graduate business school, both in order to establish a tradition of excellence and to gain the credibility of the business sector. Although the exact nature of the relationship will be subject to the specific needs of the Jordanian sponsor and the capabilities of the selected US partner, it is expected that advisory services would include the following:

- Guidance in the development and execution of the school's final institutional design and initial operating plan, and possibly responsibility for the appointment of the Dean and the overall management of the school during the start-up phase of operations;
- Advise on the development and approval of plans for the construction of facilities and the purchase of appropriate equipment for the eventual home of the new graduate school;
- Staffing, primarily with expatriate faculty, of all initial programs offered by the new graduate school, and identification, selection and development of permanent faculty members to supplement and eventually replace all expatriate faculty by the end of year four;
- Academic design of all teaching programs, including the overall program design and curricula, during the school's start-up phase;
- Oversight and advice, or possibly direct management, of all educational programs during the start-up period, and training and transfer of program management responsibilities to local staff by the end of year four.

## **2. Program and scope of activities**

### **a. Degree programs**

It is expected that the new graduate business school would offer, at a minimum, the following degree programs:

#### **i. Full-time "American style" MBA**

This implies a course load of approximately 60 credit hours spread over two academic

years, and the complete and full-time dedication of its participants to the exclusion of any other work-related activities. In practice, this means that participants, who would be expected to have a minimum of two or three years of full-time work experience following their undergraduate education and who would have satisfied minimum admissions requirements, would leave their jobs to become full-time students for two years, and would look for new (and presumably better-paying) jobs following their successful completion of the MBA program. It is expected that the school would initially offer one “section” of the full-time MBA program permitting all students to proceed through the curriculum as a single cohort. Following standard practice at leading business schools in the United States and Europe, the size of each cohort should not be less than 35 (or the minimum to break even) nor greater than 60. A new cohort of students would be admitted each year, such that the total enrollment of full-time MBA students would be between 70 and 120.

## **ii. Part-time “Executive MBA”**

This program can take a number of different formats, including both evening and weekend formats. It is generally equivalent to a full-time MBA in the total course load and number of credit hours, although the actual number of class sessions may be slightly reduced, and the total time from start to finish may be somewhat longer than the two academic years of the full-time MBA. The program is designed for working managers, usually occupying middle management positions and generally with seven or more years of full-time experience following their university studies. Participants are frequently sponsored by their employers. In recognition of their age and work experience, participants are frequently afforded program amenities which are not extended to the full-time MBAs – and charged a significantly higher tuition. Entrance and graduation requirements are identical to those in the day-time MBA. Depending on staffing, effective demand and scheduling considerations, a new cohort of between 35 and 60 students may be admitted either each year or every other year.

### **b. Non-degree programs**

Two different kinds of non-degree executive education programs should be considered by the new graduate business school, with final programming decisions made in response to the expressed wishes of the business community. Either kind of program may be offered both on an open-enrollment basis, with admissions open to any participant meeting admissions criteria, or in the form of a custom or in-company program open only to employees of the sponsoring organization, in which certain aspects of the curriculum are tailored to the specific needs of the sponsor.

#### **i. General management programs**

These programs generally last four weeks or more and are offered on a full or part-time basis as either a single integrated program or in modules. They cover all the basic functional areas of management (managerial accounting, marketing, finance, operations, organization, leadership, IT, etc.) as well as integrative courses such as competition and strategy and policy implementation. They are designed for middle and upper middle managers who are or will soon be moving into positions of cross-functional responsibility, and provide a solid exposure to general management for individuals who are unable to pursue a full MBA degree program.

#### **ii. Specialization programs**

These programs are generally shorter, typically lasting no longer than one week (full or

part-time), and focus on a single area of management such as marketing, finance, leadership, strategic planning, etc. They are generally designed for middle level managers charged with a single functional area and are designed to enable them to increase their knowledge and skill levels in that area.

**c. Other activities**

In addition to the various teaching programs described above, it would be expected that the new graduate school would be engaged in a series of professional activities which, in general, are focused on supporting the teaching mission of the school.

**i. Case writing**

The development of case studies to be used in the classroom is an activity which both assures the relevancy and applicability of the curriculum to local business conditions, and provides the instructor with an opportunity to better understand the reality of the business sector. It should be expected that all members of the faculty develop at a very minimum, one or two new cases each year for classroom use, and that each member of the school's sponsoring organization or Board of Trustees be willing to provide access to his or her own business for the purpose of case development.

**ii. Contract research**

Opportunities for contract research may present themselves and provide an important opportunity for the school to earn additional income while contributing to its faculty's professional development. Contract research opportunities will also allow the school to maintain a somewhat larger and more diverse faculty since each member of the faculty will be able to divide his/her time between teaching and contract research, thus reducing the individual faculty member's teaching load and spreading the teaching over a larger faculty base.

**iii. Faculty development**

In order to achieve sustainability and end reliance on visiting faculty from the partner institution within a reasonable time, the new school must design and implement a faculty development program. This would include sending promising faculty candidates for Ph.D. programs abroad and providing shorter and less formal faculty development workshops and seminars at the school. Local seminars or workshops might focus on the development and use of business case studies in management education, the use of electronic resources in teaching, student-centered learning methodologies, etc. Additional faculty development programs including the mentoring of junior faculty by more experienced expatriate senior faculty in both course design and classroom behavior should also be integral parts of the faculty development program.

**3. Implementation schedule**

An aggressive implementation schedule is suggested with the goal of establishing the new graduate business school and initiating the Technical Assistance contract in late 2002 or early 2003. It is contemplated that at least one and perhaps two "prototype" non-degree executive programs would be presented between January and June, 2003, and that regular executive programs would commence in September, 2003. The first cohort of full-time MBAs would be recruited and accepted during the first semester of 2003, with classes beginning in August or September, 2003. The first EMBA cohort would either enter simultaneously with the full-time MBAs or in January, 2004.

#### **4. Business plan**

The fully-developed plan for a new Graduate Business School in Jordan must include a business plan in which investments, operating revenues and expenses are projected over a five-year period.

##### **a. Guidelines for development of business plan**

###### **i. Sustainability**

The school must be able to operate independently, covering the entirety of its expenses (including depreciation on buildings and equipment) without recourse to any sort of subsidy beginning in year 5.

###### **ii. Size and configuration**

It is strongly suggested that the initial configuration of the school be based on a minimum-sized student body consisting of one single cohort of students in both the daytime and evening MBA programs, which will take all classes together. This configuration will permit the employment of a minimum number of full-time faculty members and senior administrators, which may then be expanded as warranted.

###### **iii. Technical Assistance Package**

All teaching expenses, plus the costs associated with those senior management positions which will be filled by the Technical Advisor, will be covered initially by the Technical Assistance contract. Under a scheduled to be negotiated between the school and USAID's AMIR program, the school will assume responsibility for an increasing share of these costs over the life of the technical assistance contract, and will assume full responsibility for all costs beginning in year 5.

###### **iv. Cost not covered by Technical Assistance Package**

All facilities and non-teaching staff expenses shall be borne by the school from the beginning of the project. These should include, but not be limited to

- costs associated with those members of senior management not appointed by the Technical Advisor,
- purchase or rental and renovation of facilities
- cost of all administrative staff
- building and equipment maintenance
- all non-salary operating costs such as office supplies, utilities, official travel, amenities, printing and communication, advertising, and any applicable taxes

###### **v. Tuition and revenue**

###### **1. Tuition rates**

The school shall charge tuition rates which are consistent with the full cost of its services (disregarding the presence of the USAID technical assistance contract), and the cost of comparable programs in other countries. Scholarships or tuition relief should be funded from external sources and not through a reduction in income.

###### **2. Revenue from degree programs**

The school shall use the tuition revenue from its degree programs to offset its expenses throughout the project. Any surpluses generated during the initial years due to the presence

of the technical assistance contract will be invested in a patrimonial fund for the school's benefit following the end of the technical assistance contract.

### 3. Revenue from non-degree programs

Revenues received for non-degree programs will be used during the Technical Assistance phase to offset the expected higher costs associated with these programs, with any remaining expenses to be covered under the Technical Assistance package.

In addition to the above, the Business Plan should be based on additional considerations regarding initial investment requirements and sources of capital, as detailed below.

## b. Initial investment

### i. Requirements

#### 1. Land and buildings

The physical setting for the new graduate business school is of utmost importance, as it will to a large degree establish the character of the school. Site selection should take into account convenience of access for daytime and evening students, provide a professional, business-like atmosphere reflective of its graduate and professional clientele and internationally-recruited faculty, and offer at a minimum sufficient space for the following:

- Three large amphitheater-style classrooms seating between 65 and 80 students each;
- At least ten small break-out rooms with space for 6-8 students each;
- Office space for senior management, key non-teaching staff and approximately ten faculty members;
- Work space for all administrative personnel
- Cafeteria / student lounge
- Library

#### 2. Furnishings and specialized equipment

In addition to standard classroom, office, cafeteria and library furnishings, and in order to guarantee access to current digitally-based educational technology, the school should be configured with the following specialized equipment:

- Classroom technology including computers, projectors, plug-in connection at every seat, internet connection, and video conferencing capability;
- Servers and high speed internet connections
- Complete building network providing server access from all classrooms (and every seat in each classroom), student break-out rooms, library, cafeteria/lounge, and all office and staff workstations
- Desktop computers and clustered printers for all faculty and most administrative positions
- Additional peripheral equipment as required.

#### 3. Start-up costs

In addition to the cost of the physical installations and furnishings, the school must be able to finance additional start-up costs including salaries and expenses incurred prior to the



initiation of academic programs.

#### 4. Working capital

An estimate of the school's working capital requirements must be made in order to insure short-term liquidity throughout the academic year.

### **ii. Sources of investment capital**

It is expected that investment capital sufficient to finance the acquisition and furnishing of the school, together with its non-funded start-up costs and working capital requirements, will be provided by the school's Jordanian sponsors.

USAID, as part of the AMIR Assistance Package, will provide funds to purchase specialized IT equipment as described above. The Technical Assistance package will include appropriate mobilization and relocation expenses to transfer and install the Technical Assistance personnel in Jordan.

#### c. Annual operations

The Business Plan must also project operating revenues and expenses on an annual basis for the first five years of operations

### **i. Revenue**

Revenues should include all tuition income from degree and non-degree programs, as well as any additional sources of operating income such as contract research or grants. The business plan should NOT include a monetary estimate of the cost of the Technical Assistance Package.

### **ii. Expenses**

Expenses should include all operating expenses which will be paid for by the school (i.e., they should not include expenses covered by the Technical Assistance Package). They should also include depreciation of all buildings and equipment owned by the school, whether purchased with its own funds or donated by USAID or another donor.

#### d. Cash flow projection

Finally, the Business Plan should include a five-year cash flow projection incorporating sources and uses of investment capital, as well as operating revenue and expenses (excluding depreciation), and final annual and cumulative cash balances.

It is expected that the operating results in year five of the business plan shall show evidence of the long term sustainability of the school, and that the cumulative cash balance shall at all times be positive.

## Section II: Request for Application Packet

### 1. INTRODUCTION

- 1.1. Chemonics International Inc. (hereinafter referred to as “Chemonics”), acting for the AMIR Program (hereinafter referred to as “AMIR”) requests proposals from companies or individuals (hereinafter referred to as “Respondent”) to establish, develop, manage and operate a Graduate Business School (hereinafter referred to as “Jordan Business School” or “Business School” or “Project”).

In this solicitation letter and accompanying information packet, the AMIR 2 Program is requesting from interested parties a comprehensive pro-forma business plan (herein after referred to as the “Proposal”) which will be evaluated to determine the respondent who is most likely to establish and successfully operate an independent, not-for-profit graduate business school in Jordan. As founders and trustees, respondents are expected to provide all investment and operational capital, Jordanian staff, infrastructure, governance and other resources as required to create an appropriate graduate business school.

To support the development of an independent graduate business school, the AMIR program will provide to the selected respondent technical assistance, educational infrastructure and computer equipment, (further specified in Section 3). AMIR will, among other duties, continue to work closely with the appropriate ministries and the Council of Higher Education of Jordan to create the enabling legal and regulatory environment required for the successful development of an independent graduate business school.

- 1.2. Following successful conclusion of request for, and evaluation of, proposals and of negotiations, AMIR will negotiate a Memorandum of Understanding (hereinafter referred to as the MOU ) covering all of the terms and conditions of AMIR’s assistance and responsibilities of the selected respondent.
- 1.3. The specifications for the Graduate Business School addressed in this solicitation should be based on Section I.
- 1.4. The successful respondent will have succinctly addressed the areas identified in Section 7 of this Information Packet, which includes an implementation schedule. It is the respondent’s responsibility to carry out the implementation of the project as defined in its proposal.
- 1.5. The successful respondent must be an accredited Jordanian university recognized by the Council of Higher Education of Jordan, or a legally constituted not-for-profit organization organized under the laws of Jordan for the expressed purpose of creating a Graduate Business School in Jordan, and therefore the respondent should indicate this in making its proposal. If the successful respondent is not already accredited by the Council of Higher Education to provide graduate education in business administration and to grant graduate degrees, a *condition precedent* to the

disbursement of grant funds and technical assistance will be the receipt of appropriate formal approvals from said council. . *Consortia* composed of both private not-for-profit organizations and accredited universities are explicitly welcomed to jointly respond to this solicitation for the purpose of proposing a jointly sponsored and managed new graduate business school.

- 1.6. The successful respondent must include a detailed, time-bound work plan indicating implementation program, proposed dates for achieving milestones and the implementing parties.

## 2. TERMS AND CONDITIONS

The following terms and conditions are not negotiable and must be complied with by all Respondents.

- 2.1. The successful respondent shall implement the project according to the proposal submitted.
- 2.2. Any significant deviation from the proposal without mutual acceptance from the respondent and AMIR , will result in termination of support and forfeiture of all equipment
- 2.3. Non-disclosure agreement restricting the sharing of proprietary data
- 2.4. The successful respondent shall accept the ongoing cooperation and continued assistance from AMIR 2 as set forth in a MOU.
- 2.5. From its effective date, this MOU will be the only operative document regarding agreements between respondent and AMIR 2 regarding the implementation of the Project.

## 3. AMIR ASSISTANCE PACKAGE

The selected respondent shall receive:

- ♦ ***A Technical Assistance package.*** It is expected that all technical assistance will be provided by a U.S. business school to be contracted by the AMIR 2 program with the consent of the selected respondent for this purpose. It is expected that the Technical Assistance package will be offered over a four year period and will include but not be limited to:
  - Detailed project planning and budgeting
  - Overall project supervision and management
  - Staffing for senior management and most teaching positions<sup>3</sup>
  - Program design and management during project duration
  - Recruitment, selection and development of permanent faculty and senior administrators
- ♦ ***Study tour*** to familiarize the founders with similar successful graduate business schools on other parts of the world, including both the United States and Latin America.

<sup>3</sup> Funding for teaching positions will decline over the four-year technical assistance period as the new graduate business school assumes a greater portion of total teaching costs.

- ♦ Contribution<sup>4</sup> toward the purchase of specialized **equipment and fixtures**, including computers and related hardware and software, required for the implementation of the project.

#### 4. SUBMISSION OF PROPOSALS<sup>5</sup>

- 4.1. The Respondent must submit a business plan proposal containing the following:
- ♦ one original statement detailing respondent's **legal status** as an accredited educational institution in Jordan, or as a not-for-profit organization constituted under the laws of Jordan for the purposes of establishing a graduate business School, and in the latter case, describing the steps taken and current status of its request for accreditation by the Council of higher Education of Jordan. (In the case of a proposal submitted by a consortium, the legal status of the body which will be authorized by the Council of Higher Education to provide graduate education and grant graduate degrees, must be presented.)
  - ♦
  - ♦ one original summary detailing respondent's **business education credentials**, revealing the activities, experience, and resources in the field of graduate business education of the respondent. (Note: Business education credentials should include both academic and business-sector related activities, experience and resources.)
  - ♦ one original **technical proposal** defining the proposed operations of the Graduate Business School based on Section I
  - ♦ one original **pro-forma financial statement** describing the sources and uses of the initial investment to be made by the sponsors of the new graduate business school, annual operating statements for the first five years of operations, and a summary cash flow projection through year five of the project. Printed copies of pro-forma financial statements must be accompanied by one electronic copy of all spreadsheets presented as a Microsoft Excel workbook
  - ♦ Four (04) complete copies of each proposal must accompany the delivery of the originals
- 4.2. The completed technical and financial proposals must be delivered to Terri Kristalsky, AMIR Program, 66 Abdul Hameed Badees Street, Shmeisani, (tel. 566-1831, ext 39; email [iosta@amir-jordan.org](mailto:iosta@amir-jordan.org)) on or before 4 pm, xxxx ##, 2002. Proposals received after this date shall be rejected and returned to the Respondent.
- 4.3. All proposals will be reviewed and treated with the strictest level of confidence and dealt with as privileged information.
- 4.4. All documents related to this tender must be in English and all costs must be expressed in Jordanian Dinars.
- 4.5. Five complete sets of the proposal (one original and four copies) shall be submitted in English, typed in Times New Roman, font 12 and bound.

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<sup>4</sup> Should we say "partial?"

<sup>5</sup> Again, allowing for a consortium.

- 4.6. The proposals must be valid for a period of ninety (90) days, starting from the issue date of the solicitation letter.

## 5. EVALUATION

- 5.1. The evaluation will be carried out by a team of education/private sector specialists and will be based on a point system as set forth below. The successful Respondent will be the one with the highest total score.\*

The following criteria will be utilized to evaluate the proposals:

### **Statement of Legal Status as an Accredited Educational Institution**

This section will not be scored. Respondents are required to present *either* existing status as an accredited institution of higher education, *or* convincing evidence that accreditation will be forthcoming prior to project implementation.

### **Business Education Credentials**      **maximum possible points = 30**

Business Education Experience	10 points
Business Sector Support	20 points

### **Technical proposal**      **maximum possible points = 40**

Organization and structure	20 points
♦ Mission and guiding principles	
♦ Organizational structure and staffing	
♦ Time-bound Work Plan	
Program and scope of activities	20 points
♦ Degree programs	
♦ Non-degree programs	
♦ Other activities	

### **Pro-forma Financial Statements**      **maximum possible points = 30**

Initial investment	20 points
♦ Sources and amount of capital investment	
♦ Uses of capital investment	
Reasonableness of Pro-formas	10 points
♦ Validity of Assumptions	
♦ Sensitivity Analysis	

\*It is anticipated that AMIR will invite the top respondents' principals/key management team to deliver a formal presentation and answer any clarifying questions posed.

- 5.2. Selection Process:

xxxxxx ##, 2002	Issuance of Solicitation Letter and Information Packet
xxxxxx ##, 2002	Respondent Workshop
xxxxxx ##-##, 2002	Individual Consultations
xxxxxx ##, 2002	Proposal Due

xxxxxx ##-##,2002      Key Management Team Presentations  
 xxxxxx ##, 2002      Final Selection

## 6. NEGOTIATIONS

Prior to the expiration of the validity of the proposal, AMIR will invite for negotiations the successful Respondent, that is, the Respondent that submitted the highest scoring proposal. The aim of the negotiations, which will take from seven to fourteen days, is to reach agreement on all points as defined in this document and to finalize a draft MOU for review and signing by both parties. The MOU will set forth the responsibilities of both parties and will be the governing document during the grant period.

In the event of failure to reach agreement on the contents of the MOU, AMIR retains the right to terminate the negotiations and invite the next best-rated Respondent for negotiations or to terminate the process altogether.

## 7. THE PROPOSAL

Respondents to the Solicitation Letter must address all of the following topics in their proposal. Respondents must submit their proposals as defined below. *Proposals not submitted as specified shall be rejected and returned to the Respondent.*

The proposals shall contain four sections:

- ♦ Statement of Legal Status as Accredited Educational Institution
- ♦ Business Education Credentials
- ♦ Technical Proposal
- ♦ Pro-forma financial statement

### 7.1. Statement of Legal Status as an Accredited Educational Institution under the Laws of Jordan

In this section, the respondent shall:

7.1.1. Present documentary evidence (with certified English translation if presented in a language other than English) of its existing status as an accredited institution of higher education under the laws of Jordan, with authority to:

- Offer both graduate-level degree and non-degree programs in the field of business administration
- Grant the degree of Master of Business Administration
- Establish a new, independent and autonomous graduate business school under its aegis and accreditation as described in Appendix A;

OR

7.1.2. Present evidence of its existing status as a not-for-profit organization under

the laws of Jordan, and a detailed description of the steps taken to date, as well as all remaining requirements and approvals and a detailed schedule and timeline for their completion, to obtain the academic accreditation described in paragraph 7.1.1. This description should be accompanied by copies (with certified English translations if originals are not presented in English) of all official correspondence and other relevant documentation pertinent to its accreditation status and progress. It will be required that Respondents which are not currently accredited obtain the necessary accreditation prior to project implementation, and covenants to such effect shall be included in the MOU.

## **7.2. Business Education Credentials**

In this section, the respondent shall discuss its previous business education experiences and applicable capabilities. Items identified below are presented as a guide for the presentation of information. Each point should be addressed in bullet format citing relevant examples and supplying supporting documentation if applicable

- ◆ Describe the respondent's experience in the establishment or management of graduate and executive programs in the field of business administration, including both degree programs and non-degree programs.
- ◆ Describe the respondent's experience in institution-building in the public or not-for-profit sector.
- ◆ Describe in detail the respondent's experience in the governance of academic or other institutions in the not-for-profit sector.
- ◆ Describe any experience with partnerships or joint ventures with foreign universities or international development organizations.
- ◆ Describe in detail the nature and extent of the respondent's linkages with private sector organizations and institutions in Jordan, and if the respondent is itself a private sector organization, describe in detail its membership, mission and activities.

## **7.3. Technical Proposal**

In this section the respondent shall describe the development, operations and management of the new graduate business school. In a narrative, the respondent shall present its own model for a graduate business school, following the topical outline and content presented in section III (Preliminary model for graduate business school) in Section I.

The following items must be addressed in the technical proposal:

### **7.3.1. Organization and structure**

- ◆ Mission and guiding principles
- ◆ Organizational structure
  - Board of Trustees
  - Academic Advisory Committee
  - Senior management
  - Faculty
  - Administrative staff
- ◆ US Technical Advisor

#### 7.3.2. Program and scope of activities

- Degree programs
- Non-degree programs
- Other activities

#### 7.3.3. Implementation schedule

- Start-up
  - Availability of facilities
  - Hiring of local staff
  - Start date for Technical Assistance
- Initiation of executive (non-degree) programs
- Initiation of degree programs

### **7.4. Pro-forma financial statements**

The following items must be addressed in the Business Plan which should cover the start-up period and five years of operations and be based on the outline and suggestions contained in the Business Plan section of Section I.

#### 7.4.1. Initial investment

- Requirements
  - Land and buildings
  - Furnishings and specialized equipment
  - Start-up costs
  - Working capital
- Sources of investment capital

#### 7.4.2. Annual operations

- Revenue
- Expenses

#### 7.4.3. Cash flow projections

Pro-forma financial statements must be presented in both printed and electronic form as an Excel spreadsheet, with all necessary supporting sheets attached in a single “workbook.”